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## The Resilience of Traditional Trade Union Practices in the Revitalisation of the Argentine Labour Movement

### 1. Introduction

Market reforms have posed similar challenges to trade unions worldwide. In this regard, the current situation in Argentina does not differ from the global trend. De-industrialisation, de-centralisation of collective bargaining, reduction of the formal sector, flexibility in the labour market and the use of labour power have all affected trade unions' capacity to mobilise workers and play a major progressive role in society.

In addition, particularly over the last decade, the effects of thirty years of economic liberalisation combined with an explosion in the rate of unemployment has led to mass poverty and enormous class divisions, changing the landscape of social mobilisation in Argentina. On the one hand, mass unemployment disciplined wage-labourers; on the other, new territorial organisations, mainly of those workers now unemployed – the so-called *piqueteros* (for picket) – have proliferated and sustained the virulent social protests for employment and social programmes which characterised the country at the turn of the century. In this context, scholars have tended to assume the definitive demise of trade unions and their methods of struggle, turning their attention to the new social movements.

Signs of trade union revitalisation however, composed of both traditional and innovative aspects, have emerged in recent years. This chapter evaluates the old and the new, embedded in the indicators of this incipient revitalisation, bearing in mind that in Argentina today any analysis of the limits and prospects for trade unions and their

relevance within society intersect with the analysis of the broader process of the social mobilisation of the subaltern classes.

## 2. Signs of Revitalisation

Objective indices of trade union revitalisation are often contentious. Nevertheless, union density, labour conflicts and collective bargaining are among the indicators that scholars frequently use to assess union power. The reunification of the main workers confederation of Argentina, the Confederación General de Trabajadores (CGT), is arguably another sign of trade union revitalisation. Each of these aspects will be briefly evaluated in the following sections.

### *Union Density*

Reliable figures on union density are problematic in Argentina. Trade unions have always overestimated membership levels, public authorities have not kept periodic records, scholars have used very different sources and methodologies, and thus their research outcomes are hardly comparable. Yet, according to available estimates, while total membership has fallen, the decline in union density has not been dramatic in the last two decades, despite the wide-ranging process of state and capital counter-mobilisation (Table 1). This is even more surprising in a country where incentives for organising are scarce: union finances do not depend exclusively on members fees; there is a legal monopoly of collective bargaining representation granted by public authorities to the largest union (*personería legal*), which eliminates inter-union disputes; collective agreements apply also to non-union members; demands are often channelled through institutional mechanisms of political exchange; and the mobilising capacity of trade unions goes far beyond their memberships.

Table 1 Trade Union Density in Argentina

Year	% union density (Lamadrid and Orsatti 1991)
1954	48
1963	40
1974	43
1979	42
1982-83	41
1989	44
	% union density (Marshall and Perelman 2004)
1990	47
1991-94	44-47
2001	42

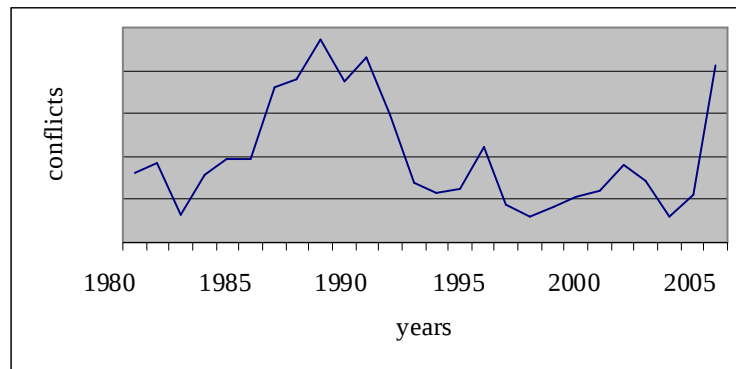
It is also necessary to take into account the number of unregistered wage-labourers, who do not have the possibility of joining trade unions with *personería gremial*, due to the legal features of the Argentinean system of industrial relations. At the beginning of 2006, 44.3 per cent of the total number of wage-labourers was in this condition, whereas from 1992 to 1996 the rate of unregistered employees oscillated between 22 and 25 per cent. Thus, union density among unionisable workers remains high, whereas more and more wage labourers cannot be organised by trade unions.

### *Labour Conflicts*

The first positive sign of trade union revitalisation has been the increasing rate of labour conflicts. Although not all such conflicts are necessarily trade union initiatives, given the monopoly of representation, trade unions often end up leading, or at least involved in industrial actions. 2005 witnessed a peak in labour conflicts, only surpassed twice since 1980 – in 1988 and 1990, both of which represented periods of high inflation. The trend toward increased

industrial conflict continued in the first half of 2006, though at a lower level.

Table 2 Labour Conflicts, 1980-2005



Source: Nueva Mayoría.

### *Collective Bargaining*

2004 and 2005 witnessed record levels of collective bargaining agreements, and the trend carried on into 2006 (Table 3). In 2005, the 568 new agreements included under their coverage 2,117,000 workers, that is, 47 per cent of the total number of formal wage-labourers. This phenomenon can be considered another index of trade union revitalisation.

Table 3 Collective Agreements Classified by Scope

Year	Scope of negotiations		Total
	Activity / sector	Firm	
1991	79	18	97
1992	165	44	209
1993	127	91	218
1994	98	104	202
1995	71	125	196
1996	45	107	152
1997	41	167	208
1998	30	189	219
1999	32	152	184
2000	12	64	76
2001	22	128	150
2002	27	181	208
2003	n/d	n/d	n/d
2004	112	236	348
2005	203	365	568

Source: Ministry of Labour

The 1990s had marked the end of the centralisation of collective bargaining which had been the distinctive feature of industrial relations in Argentina. Between 1991 and 1994, 62.5 per cent of collective agreements were negotiated for the entire sector, while between 1994 and 1999 only 23.3 per cent were reached at that level, with the remaining agreements at firm level. This decentralisation of collective bargaining allowed capitalists to push through flexibilisation and productivity deals. Collective agreements during the 1990s introduced flexibility in the employment relationship through diverse types of temporary contracts, in the distribution of working hours, in the organisation of work, and in the composition of wages. Trade unions usually adopted a defensive posture, giving into flexibility at the firm level in exchange for maintaining control of collective bargaining and the administration of one of the key resources of trade union power in Argentina: the *obras sociales* (health institutions financed by the workers and the employers).

Although decentralisation still prevails in collective bargaining, there has been a recent increase in sectoral level agreements. Collective bargaining at this level has a direct positive consequence in

the scope of coverage. During 2005, 36 per cent of such agreements comprised 92 per cent of the wage-labourers who benefited from collective negotiations. Moreover, 93 per cent of these agreements resulted in wage increases against 78 per cent of the agreements reached at firm level. Lastly, since 2003 the percentage of clauses introducing flexibility, internal (mobility, multi-skill, hours of work, performance related pays, and so forth) or external (temporary or flexible contracts), has decreased in comparison to the 1990s. By contrast, the number of clauses covering relationships between workers and employers, and the place of the trade union in this relationship, has grown.

### *The Reunification of the CGT*

Finally, the reunification in 2004 of the principal Argentinean confederation, the CGT, can be regarded as a political-institutional index of trade union revitalisation. Since the mid 1940s, with the rise of the political movement known as Peronism, the unity of trade unions in a single CGT was the main strategic aim of Peronist union leaders, who imposed themselves as the hegemonic force among the working classes in Argentina. Still, governmental interventions, dictatorial prohibitions and transitory divisions of the CGT were commonplace after the 1955 when the president Perón was overthrown in a military coup. 1992 witnessed a true novelty, the rise of a rival organisation, the Central de Trabajadores Argentinos (CTA), in opposition to the hesitant or even critically supportive attitude of the CGT in the face of the deepening neo-liberal agenda. The CTA obtained partial recognition (*inscripción gremial*) from the Government in 1997. While the *inscripción gremial* falls short of the protection guaranteed by the *personería gremial*, it is often a first step in the struggle for full recognition. The challenge of the CTA brought about tensions within the CGT, and in 1994 led to the rise of the Movimiento de Trabajadores Argentinos (MTA) in opposition to governmental policies. This internal struggle ended in 2000 with the

effective division of the CGT into a dialogue-oriented CGT (*CGT dialoguista*) and a more combative CGT (*CGT rebelde*), the latter built upon the MTA faction. Thus the 1990s was a period of division and fragmentation for the Argentine labour movement. In this context it is worth noting too the emergence of the Corriente Clasista y Combativa (CCC), a minor Marxist central with influence in some regions, mainly in the north of the country. Thus the recent reunification of the two CGTs, although far from achieving the old unity of the labour movement, is a major event in the Argentine political scenario.

### 3. The Socio-Economic and Political Context of Trade Union Revitalisation

Between 1991 and 1994, despite the gradual rise in the rate of unemployment, statistics showed a simultaneous decline in poverty levels and the growth of real wages. The 'tequila effect' caused by the Mexican crisis, however, ended this ambiguous evolution. Unemployment deepened, poverty jumped and real wages began to decline (Table 4).

Table 4 Gross Economic Product, real wages, unemployment, underemployment and people under poverty line (May wave)

year	GDP at constant Prices 1960=100	real wages in manufacturing 1960=100	unemployment	Under employment	people under poverty line
1986	220.2	121.7	5.9	n/d	n/d
1987	225.1	112.7	6.0	8.2	n/d
1988	220.7	105.1	6.5	7.8	29.8
1989	205.3	88.6	8.1	8.6	25.9
1990	202.5	79.0	8.6	9.3	42.5
1991	223.8	76.6	6.9	8.6	28.9
1992	246.8	81.6	6.9	8.3	19.3
1993	261.5	83.0	9.9	8.8	17.7
1994	276.7	84.7	10.7	10.2	16.1
1995	268.9	80.6	18.4	11.3	22.2
1996	283.7	80.8	17.1	12.6	26.7
1997	306.7	77.9	16.1	13.2	26.3
1998	318.5	76.6	13.2	13.3	24.3
1999	307.8	77.4	14.5	13.7	27.1
2000	305.3	78.5	15.4	14.5	29.7
2001	291.9	77.7	16.4	14.9	32.7
2002	260.1	62.2	21.5	18.6	49.7
2003	283.1	67.7	15.6	18.8	51.7
2004	308.0	81.8	14.8	15.2	44.3
2005	n/d	n/d	13.0	12.7	33.8
2006	n/d	n/d	11.4	11.0	n/d

Source: Instituto Nacional de Estadísticas y Censos (INDEC). Figures for GDP and real wages in Iñigo Carrera (2006).

In 1997 social unrest erupted, and innovative forms of struggles, like the roadblocks held by the *piqueteros*, spread across the country, whereas labour conflict was at its lowest point of the decade. In 1998 a negative economic cycle, which would last until the beginning of 2003, paved the way to the gradual radicalisation of social protest, forcing the exit of the national government in December 2001. In this



context labour conflicts started to intensify, though hesitantly, falling again after the peak of the crisis, in which the rate of unemployment climbed to 21.5 per cent (October wave), income participation of the subaltern classes in the GDP fell from 31.5 per cent to 22.6 per cent, and real wages declined 15 percentage points due to currency devaluation.

Since 2003 Argentina has experienced an economic recovery with rates of growth oscillating around 8 to 9 per cent annually. For trade unions there are two important consequences of this recovery. First, the number of workers employed in the private formal sector has increased by 13.5 per cent since 2001, thus allowing unions to maintain their positions in certain strategic industries (such as automotive, telecommunication, energy, transport). Second, capitalists have been inclined to concede workers' demands in the face of potential disruptions to the productive process in the midst of growing profits. This positive economic cycle has been fertile soil for trade union demands for higher salaries, both through collective bargaining and industrial action. Trade union negotiations and struggles succeeded in raising real wages in the private sector above those of 2001, though within an uncertain climate due to inflationary pressures (approximately 1 per cent on a monthly basis). In the public sector and among unregistered wage-labourers however, real wage levels have remained far below those of 2001. Indeed the income participation of the whole subaltern classes has remained almost untouched, passing from 22.6 per cent in 2002 to 25.9 per cent in 2005, despite GDP growth surpassing 5.8 per cent the 1998 figure, the peak of 1990s. Between 1998 and 2005, the income relation of the richest deciles to the poorest one increased from 22.8 to 31.

Trade unions also took advantage of political variables. The Peronist government, which assumed office in 2003, showed a greater openness to trade union claims. At least initially, it exhibited a certain tolerance towards social protests, particularly labour conflicts. This attitude has been gradually changing since the second half of 2005, as police have suppressed labour protests, sit-in strikes and factory occupations in the provinces of Neuquén, Chaco and Santa Cruz, and picket lines of meat workers in Buenos Aires. In turn, the government decreed minimum wage increases, which stimulated the demands of

highly paid workers. The Ministry of Labour has also encouraged collective bargaining, and recently monitored the *Consejo del Salario Mínimo, Vital y Móvil*, a tripartite body for social dialogue, which agreed, though not unanimously, another rise in the minimum wage. These policies are aspects of a hegemonic project by which the government has sought to deactivate the mobilisation of the *piqueteros*, re-establish some institutional channels for political exchange with part of the labour movement, and obtain support from popular organisations. The Government also attempts to control through consensual means the distributive struggle in an effort to avoid skyrocketing inflation.

In short, the end of the long economic depression, the increase of production and economic activity, the decline of unemployment, and the political and economic project of the government, while functioning to restore the hegemonic control upon the broader process of social mobilisation, seem to have revitalised trade unions' willingness to mobilise the rank and file.

#### 4. The Nature of Revitalisation: The Old and the New

According to the Ministry of Labour, there are in the country 1414 trade unions with *personería gremial*, that is, the official recognition that gives trade unions legal protection to their shop stewards against dismissal, the rights to strike and represent their members in collective bargaining, and benefit from check-off deductions. But there are also 1397 trade unions with *inscripción gremial*, a different sort of legal recognition, which lacking all the above, means, in fact, their exclusion from the possibility of effectively representing their members. This discrimination has created a system in which entire sectors are dominated by a single powerful union. Thus the signs of union revitalisation analysed in this chapter are mostly limited to unions with *personería gremial*, that is, those with the legal right to take industrial action and bargain on behalf of their members. Nevertheless, the uninterrupted growth in recent years of new

organisations asking for recognition through *inscripción gremial*, often the first step towards demanding *personería gremial*, or towards challenging established organisations, is in itself another indicator of workers' growing mobilisation in defence of their interests.

What lies behind the recent revitalisation? In much of the English literature, discussion has focused on innovation in union policies, rooted in the adoption of a partnership, a servicing or an organising profile. In Argentina, by contrast, trade union revitalisation seems to be associated primarily with traditional practices. With that understanding, let us resume the analysis of union density, labour conflicts, collective bargaining and the reunification of the CGT.

Academic and political analysts agree that the Government favoured the reunification of the CGT to empower traditional union leaders as a safeguard against the mobilisation of the unemployed and the growth of rank and file's demands for wage rises. The CGT represents trade unions in the tradition of Peronism and, after years of underground political lobbying, is currently more openly supporting the Government and its attempt to settle labour conflicts through conciliatory channels and national agreements. Moreover, the Ministry of Labour denied the *personería gremial* to the CTA, a main actor in the mobilisation against the neo-liberal agenda during 1990s. The CTA promoted coalition building with social movements and political organisations. In this way, the CTA's ability to organise workers outside the public sector, where the central has its backbone, was constrained by political means. This is significant as the CTA pioneered through innovative methods a local version of social unionism under the banner of trade union democratisation. For instance, the CGT has ignored unemployed and unorganised workers, maintaining untouched its traditional structures of organisation and representation. By contrast, the CTA has developed new forms: it has a territorial organisation for the unemployed; it allows the individual affiliation of workers; it implements direct ballots for all union posts, gathers workers from cooperatives, and promotes the organisation of disadvantaged groups. Additionally, since its inception, the CTA and its organisations have enriched the traditional repertoire of labour movement action. Yet all these innovative steps are not enough to break the hegemony of the traditional leadership of the Argentine

labour movement in the industrial and service sectors. By passing over once more the request of *personería gremial* of the CTA, the Government backs the CGT and its traditional practices, and reinforces its hegemonic position.

Given the monopoly of representation, the growth in the number of collective agreements implies an opportunity for traditional union leaderships to recover from a decade of retreat, which had damaged their reputations. Collective agreements function to prevent the confluence of workers' mobilisation and the broader trend of social protest through a consensual dynamic. In the past, collective bargaining did involve the top-down mobilisation of workers, a sort of implied threat in order to achieve better terms and conditions. But genuine rank-and-file participation in collective negotiations has often been severely limited by the deficit of internal democracy and freedom of association. Thus, important as it is, the invigorating of collective bargaining might soon be reversed following changes in economic and political variables, as it does not express new organisational strengths, new tactics or new attitudes on the side of organised labour. Indeed, it seems to point to the favourable conjuncture in which old tripartite mechanisms of political exchange are promoted by public authorities in the face of a process of mobilisation of the subaltern classes, which has posed serious challenges to traditional leaderships.

In the realm of labour conflicts and strikes, it is possible to identify some new features that have emerged since the 1990s. For instance, the number of workplace structures (the so-called *comisiones internas*) which have taken industrial action based on the mobilisation of workers through participative democracy, have increased. Some of them led long conflicts with significant media impact in various activities, including the Buenos Aires underground, hospitals, communications, airlines, and the meat industry. More importantly, several trade unions have been campaigning for the inclusion of outsourced workers on equal terms and conditions with core workers, not only in the above-mentioned sectors but also in transport, oil, railways and various branches of the provincial, municipal and national state. Some of these campaigns involved solidarity action and strikes. This is a far cry from most union tactics

during the 1990s, when the affiliation of outsourced workers was usually negotiated to compensate membership loss, by conceding lower terms and conditions and in this manner contributing to the division of the working class.

Difficult to evaluate is the subtle though noticeable growth of rank-and-file activism, manifest by mounting, though scattered evidence: building of workplace structures in previously union-free companies and struggles for recognition; more and younger activists leading the conflicts; electoral challenges to well-established leaderships; new radical union groupings; renewed attempts to coordinate common actions with *piqueteros* and other social movements; enlargement of the repertoire of actions; and so forth.

It is important not to exaggerate this trend. On the one hand, traditional leaderships conduct most conflicts in a context of economic growth through traditional practices. On the other, trade unions' ability to confront employers at the workplace is very limited. Official data shows that while a reasonable percentage (52.5 per cent) of shop stewards operates in the larger companies (with more than 200 employees), their ability to represent workers in medium firms (between 40 and 200) and small enterprises (less than 40 employees) remain very low (27.7 per cent and 7.5 per cent respectively).

Furthermore, an evaluation of trade unions' prospects should take into account their place within the broader picture of social protest in Argentina. In this regard, the leading role of trade unions has declined in comparison to that of other organisations of the civil society. While in 1989, trade union protest represented 74 per cent of the total protests recorded, in the early 1990s this proportion fell to approximately 54 per cent, and only 31 per cent of the social protests have corresponded to trade unions' initiatives between 1998 and 2003. While alternative data on strikes suggests the beginnings of recovery in 2004, the point remains that the ability of trade unions to build coalitions with other social movements seems to be a relevant strategic question. In this respect, the persistent hegemony of the traditional leaderships over the labour movement is an obstacle to revitalisation as they have neglected such coalitions.

As stated above, union density has not suffered dramatic decline. Yet this says nothing about why (or how) unions have maintained their

relative position. After their establishment as mass organisations in the 1940s and early 1950s, recruiting campaigns have been rare in Argentina. Since then, two main factors explain high levels of unionisation. Firstly, until the end of 1980s, new entrants were recruited almost automatically by *comisiones internas* – except under dictatorial rule. Secondly, since the 1970s, when the trade unions with *personería gremial* secured by law the management of the *obras sociales*, the latter became an additional power resource for recruiting members, despite the fact that both institutions, the union and the *obra social* were formally separated, and hence union membership was never a condition for accessing health services. During the 1990s the deregulation of the system of *obras sociales* posed a threat to unions as workers were free to choose a different *obra social*. This was expected to have a detrimental effect on poorer unions, and more generally, on union density as the identity forged by trade unions between the organisation and the *obra social* would be severed. Some imagined this would lead to more active and innovative trade union recruiting efforts, but this did not occur. While industrial unions reinforced the identity between the organisation and *obras sociales*, the strategy of service section unions has been to adopt a commercial attitude focused on the improvement of the services provided by their *obras sociales* and to appeal workers from other economic activities. In this latter case, the usual losses in union density were compensated financially by the income generated by their *obras sociales*. In short, union density with few exceptions was not maintained because of innovative organising efforts.

## 5. Conclusions

The first conclusion to be drawn is that, today in Argentina, there are concrete signals of trade union revitalisation but not of renewal. These signs manifest the revitalisation of old trade unions' practices, which are partly a product of the economic recovery, partly a product of Governmental policies. Yet it is also true that the combination of

economic and political factors has opened new and real room for the emergence of labour conflicts and workers' mobilisation outside the hegemony of the traditional leadership. Indeed it is possible to find evidence of the latter in the series of grassroots democratic actions, which has characterised several of the most important labour conflicts since 2005.

The second conclusion is that with roughly half of the country's population below the poverty line, an 11.4 per cent rate of unemployment and 44.3 per cent of wage-labourers unregistered, the relationship between trade unions and the broader process of social mobilisation is a crucial issue for the long term prospects of the labour movement. Trade unions' direct involvement in the total number of social protests has shown a pronounced decline, and the CGT remains indifferent to other social movements, particularly those of unemployed workers. In this sense, the social unionism orientation of the CTA, the CCC and other minor organisations is a positive development, and so are the coordinated actions of trade unions and *piqueteros*, not only in protest marches, but also in labour conflicts like those of Buenos Aires underground. Another example of such coordinated action came in defence of the occupied factory FaSinPat (acronym for *Fábrica Sin Patrones* - factory without bosses), where many members of unemployed organisations have been incorporated by the trade union committed to workers' self-management. Yet the relationship between trade unions and other organisations of the civil society is still very limited.

Argentina thus reveals a complex picture for trade union revitalisation, in which the prospect for long-standing renewal seems to depend on the multiplication of the experiments in grassroots democracy and coalition-building, rather than in the replication of the old trade union practices which have prevailed thus far.

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